



Date: April 16, 2013

To: Thomas Bonfield, City Manager
From: Germaine Brewington, Director of Audit Services
Subject: Transmittal of Overtime Performance Audit (March 2013)

Executive Summary

The Audit Services Department completed the report for the Overtime Performance Audit dated March, 2013. The purpose of the audit was to review the City of Durham's overtime payments and to determine whether management controls over overtime payments were effective to ensure that overtime was reasonable and approved.

Background

Total overtime earnings for all City employees for FY 2012 amounted to approximately \$1,820,000. Overtime object codes in the general ledger include several pay categories. For the purposes of this engagement, only two categories: 200-overtime pay and 201-overtime with shift differential were included. The Department of Technology Solutions created for the Department of Audit Services, a report that extracted all employees who received earnings coded as these pay categories. Policies HRM 403-*Overtime Pay and Compensatory Time*, HRM 406-*Compensation Plan* and HRM 410-*Standby and Recall* detail the standardized guidance at the City for awarding overtime pay for hours worked by employees beyond their regularly scheduled hours.

Overall across the City, overtime payments to employees and overtime hours worked by employees do not appear excessive. Adequate management oversight exists in most of the departments. However, a lack of management oversight was noted over the Utility System Supervisor (USS) position in the Department of Water Management.

Issues and Analysis

The attached report details the objectives, observations, and results of the Overtime Performance Audit dated March 2013.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Overtime Performance Audit dated March 2013 as presented and approved at the April 22, 2013 Audit Services Oversight Committee meeting.